

DIRECT TESTIMONY OF JEFFREY FARGO
(Public Version)

Q. Please state your name and business address.

A. My name is Jeffrey D. Fargo. My office address is 2000 W. Ameritech Center Drive,
 Hoffman Estates, IL 60196.

OFFICIAL FILE

I.C.C. DOCKET NO. 00-0043

Ameritech Exhibit No. 3.0

Q. Please summarize your educational background.

A. I received a Bachelor of Arts degree in history from DePaul University in 1998. My work
 background prior to coming to Ameritech was in the telemarketing industry. I worked for
 a telemarketing company, Market USA, from March 1996 to March 1998. I began as a
 representative, then worked my way from Supervisor to Senior Supervisor. In these
 positions I not only performed the normal duties of a front line supervisor, but also assisted
 with the rollout of several call centers, trained and interviewed supervisors, and was the
 acting site manager when the site manager was unavailable.

Q. Please summarize your work history with Ameritech.

A. In March 1998, I started with Ameritech as an Area Manager for Small Business Services
 in Pewaukee, Wisconsin. I then moved to the Vendor Management team in Hoffman
 Estates in April 1999. I am currently in the Client Services Group.

Q. Please describe your current position and responsibilities.

A. My position is Area Manager – Client Services. I have responsibility for all inbound and
 outbound stimulated programs for Ameritech's and Southwestern Bell's local toll winback
 programs.

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2 **Q. What is the purpose of your testimony?**

3 A. My testimony is to address the issues raised by Mr. Cohen in his testimony regarding
4 Ameritech's winback telemarketing practices. In particular, I will respond to the
5 allegation that our representatives have made unsupported savings claims.

6

7 **Q. Please describe the manner in which Ameritech employs outside telemarketing firms**
8 **for winback marketing.**

9 A. In the context of this case, the telemarketing firms are involved with winback marketing.
10 These firms do not take routine incoming calls from customers. Those calls go to our
11 customer care centers (CCC). Performance by the CCC is addressed by Derek Curtis.

12

13 The majority of Ameritech's outbound telemarketing winback programs are handled by
14 external vendors. These vendors make outbound calls specifically for the purpose of
15 winning back customers who have defected away from Ameritech for their local toll. The
16 agencies that we currently use for outbound telemarketing winback calling are Convergys
17 and Dakotah. There are many telemarketing agencies that we use at Ameritech for a
18 number of different functions but these two are the ones that we use specifically for
19 winback.

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2 **Q. How are the outbound telemarketing representatives trained on the SimpliFive plan?**

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4 A. We train the representatives on all of the rates and discounts associated with the plan as
5 well as in what states it is available. (SimpliFive is available in Illinois only.) We then
6 train the representatives on the SimpliFive script verbiage.

7
8 **Q. What is the SimpliFive script verbiage for Illinois?**

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10 A. The script is as follows:

11 "Mr./Mrs. _____, I would like to offer you the Ameritech SimpliFive plan. This plan
12 gives you simple predictable 5 cent pricing, 24 hours a day, 7 days a week for all of your in
13 state local and local toll calls. Calls within approximately 8 miles of your home are just 5
14 cents a call no matter how long you talk, and all other calls are just 5 cents per minute no
15 matter when you call."

16 *(note: Please keep in mind that in Illinois, 8-15 miles, band B, is NOT local toll and NOT*
17 *PICable away from Ameritech. 15 miles +, or band C, is considered local toll and*
18 *PICable away from Ameritech. The SimpliFive plan has the same rate for 8-15 and 15+).*

19 "There is no monthly fee, so you only pay for the calls that you make. Customers like
20 SimpliFive because the plan and bills are much easier to understand than time and distance
21 sensitive basic rates. Plus you receive automatic discounts of 15% when you make more
22 than \$15 worth of calls and 30% when you make more than \$30 worth of calls. For
23 example, if you were to make \$20 worth of calls, you would receive \$3 off. If you made
24 \$40 worth of calls, you would receive a \$12 discount."

25
26 "May I switch your local toll service back to Ameritech on the SimpliFive plan?"

27 *(Note that SimpliFive does not cover Intralata/Intrastate or Ameritech to Independent*
28 *calling)*

29
30
31 **Q. Do the representatives have to follow the script verbatim?**

32
33 A. No, they do not. They have limited freedom to ad lib somewhat in order to sound
34 conversational and engage the customer. We have instructed them that they must disclose
35 all rates and discounts associated with whatever plan they are offering and that they must
36 never give the customer any false or misleading information.

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Q. Where are representatives supposed to offer the SimpliFive plan in the callflow?

A

Q. Are the representatives trained to claim any savings with the SimpliFive plan, as compared to either basic rates or over other calling plans from AIT or from a competitor?

A. The representatives are trained not to quote any savings on the SimpliFive plan. The reason for this is that they do not have access to customer billing information, including other carriers' rate plans. Without this information, they cannot make any savings claims.

Q. What are the representatives trained to say if the customer asks if he or she will save money with the plan?

A. The representatives are trained to tell the customer that they are not sure if the customer will save money or not over what they are currently paying, because they do not have access to their billing records. They then reiterate the benefits of the plan. (For example, with SimpliFive, the main benefits are that it has no monthly fee, that it has certain volume discounts, and that it is simple and easy to understand. If customers ask for specific comparisons of rates, we refer them to the Ameritech customer care center, which handles most inbound customer calls.)

1 **Q. What have you heard when you monitor on the Ameritech winback program**
2 **specifically in regard to representatives quoting savings to the customers?**

3 **A. I have been a vendor manager for the Ameritech Winback program for over a year now. I**
4 **try to listen to each vendor in each location at least once a week. In the last year I have**
5 **heard hundreds, if not thousands, of Winback calls. During this period, I have heard very**
6 **few calls, maybe two or three at the most, where the representative has quoted some type of**
7 **savings to the customer.**

8
9 **Q. What is done with representatives when they exhibit this behavior?**

10 **A. The representative is taken off line and coached on the proper behavior and response to**
11 **this type of situation. I would then do a follow up monitoring on this representative to**
12 **make sure that this behavior does not continue. If it does, the representative is put on a**
13 **disciplinary plan. If performance still does not improve, the representative can be**
14 **removed from the program. It is important to note that we actively evaluate not only the**
15 **individual representative's quality but also the vendor's as a whole.**

16
17 **Q. Do the representatives have access to the basic rate structure?**

18 **A. Yes, they do. They are trained to use this for reference only and not to discuss this**
19 **information in detail with the customer. The reason for this is that the outbound**
20 **telemarketing representatives do not have access to the customer's bill and really cannot**
21 **get into a detailed discussion about basic rates or about local usage.**

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2 **Q. Does this complete your testimony?**

3 **A. Yes, it does.**